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16 *ELECTRIC SOLIDUS, INC. d/b/a SWAN BITCOIN*

17 **IN THE UNITED STATES DISTRICT COURT**
18 **FOR THE CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

19 ELECTRIC SOLIDUS, INC. d/b/a
20 SWAN BITCOIN, a Delaware
corporation,

21 Plaintiff,

22 v.

23 PROTON MANAGEMENT LTD., a
British Virgin Islands corporation;
24 THOMAS PATRICK FURLONG; ILIOS
CORP., a California corporation;
25 MICHAEL ALEXANDER HOLMES;
26 RAFAEL DIAS MONTELEONE;
SANTHIRAN NAIDOO; ENRIQUE
ROMUALDEZ; and LUCAS
VASCONCELOS,

27 Defendants.
28

Case No. 2:24-cv-8280-MWC-E

**DECLARATION OF MATTHEW D.
MCGILL IN SUPPORT OF GIBSON,
DUNN & CRUTCHER LLP'S
MOTION TO WITHDRAW AS
COUNSEL FOR PLAINTIFF
ELECTRIC SOLIDUS, INC. D/B/A
SWAN BITCOIN**

Judge: Hon. Michelle Williams Court

1 I, MATTHEW D. MCGILL, declare and state as follows:

2 1. I am an attorney authorized to practice before this Court *pro hac vice*. I am
3 a partner at the law firm of Gibson, Dunn & Crutcher LLP (“Gibson Dunn”), and counsel
4 of record for Plaintiff Electric Solidus, Inc. d/b/a Swan Bitcoin (“Swan”) in the above-
5 captioned case. I have personal knowledge of all the facts set forth in this declaration
6 and, if called to testify, I could and would competently testify to them.

7 2. I submit this declaration in support of Gibson Dunn’s Motion to Withdraw
8 as Counsel for Swan.

9 3. In September 2024, Gibson Dunn was retained by Swan to initiate this
10 action and to seek a temporary restraining order against the Defendants. As a first phase,
11 Gibson Dunn and Swan agreed to non-standard economic terms for work through and
12 including the filing of an application for a temporary restraining order. Any further work
13 would be contingent upon an agreement acceptable to Gibson Dunn on economic and
14 other terms, which would be based on the then-anticipated scope of work and the status
15 and progress of the litigation.

16 4. Gibson Dunn prepared and filed the Complaint and the papers seeking a
17 temporary restraining order. The Court denied Swan’s application for a temporary
18 restraining order on October 5, 2024.

19 5. After the Court denied the application for a temporary restraining order,
20 Gibson Dunn and Swan tentatively agreed on terms for Gibson Dunn’s work on the
21 litigation through and including an evidentiary hearing on Swan’s motion for a
22 preliminary injunction set for November 8, 2024. But on October 18, Swan withdrew
23 its motion for a preliminary injunction, and Gibson Dunn and Swan never finalized any
24 written agreement providing for further work on the litigation after October 5, 2024.

25 6. On October 25, 2024, Gibson Dunn made the decision that it did not want
26 to continue with the representation of Swan in this litigation. On the same day, I
27 informed Swan that Gibson Dunn would be concluding its representation of Swan and
28

1 that, if Swan wished, Gibson Dunn would work on the litigation for as long as reasonably
2 necessary for Swan to obtain substitute counsel. Based on subsequent conversations
3 with Swan, I had understood Swan to be actively interviewing potential substitute
4 counsel, and that they soon would identify such substitute counsel.

5 7. On November 6, 2024, Gibson Dunn received a letter from Wollmuth,
6 Maher & Deutsch LLP (“Wollmuth”) stating that Wollmuth represents Swan and
7 threatening to assert claims against Gibson Dunn.

8 8. On November 19, 2024, Swan asked me to provide it with an electronic
9 copy of its entire case file.

10 9. On November 22, 2024, Swan initiated a lawsuit against Gibson Dunn in
11 the Superior Court of the State of California for the County of Los Angeles. The case is
12 captioned *Electronic Solidus, Inc. d/b/a Swan Bitcoin v. Gibson, Dunn & Crutcher LLP*,
13 Case No. 24STCV30895. In that matter, Swan alleges that Gibson Dunn has “betrayed”
14 Swan and asserts claims of breach of fiduciary duty and legal malpractice against Gibson
15 Dunn in connection with Gibson Dunn’s representation of Swan in this matter.

16 10. Given the allegations in the Los Angeles Superior Court complaint
17 discussed in paragraph 9, in which Swan essentially contends that it has lost trust and
18 confidence in Gibson Dunn’s representation of Swan, there is little doubt that there has
19 been a complete breakdown in the attorney-client relationship between Gibson Dunn
20 and Swan that justifies immediate withdrawal as counsel for Swan in this case.

21 I declare under penalty of perjury that the foregoing is true and correct. Executed
22 on this 24th day of November in 2024 in Washington, D.C.

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24 _____
25 Matthew D. McGill
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